

Highmark Value Based Care and the State of Delaware

July 23, 2018



Approach to VBR in DE

DE VBR Performance

VBR Reporting and Support

DE VBR Future State

Spectrum of Highmark's Partnership Models



Delaware has served as a state for Highmark to introduce a multi-pronged approach to value-based care and reimbursement.

True Performance Suite (PCPs)

- True Performance, the transformation VBR program, was introduced to PCPs throughout the state in 2016 and fully implemented in 2017.
- True Performance Plus was introduced to strategic provider partners in 2017 to increase the reward for high quality total cost of care management as a way to introduce upside risk through shared savings (Commercial only 2018). Medicaid providers have been introduced to shared savings programs similar in structure to True Performance Plus.
- In 2018 True Performance Advanced is rolling out to incorporate downside financial risk tied to total cost of care.

Advanced Programs & Partnerships

- Highmark has developed custom programs with health systems, independent specialists, and other providers to ensure a continued proliferation of VBR mechanisms throughout the care continuum
- Highmark has developed partnerships with provider organizations to continue to collaborate on advancing value-based care focusing on things such as social determinants of health, bundled payments, data analytics, and aggressive quality improvement campaigns

Specialist Programs

- Specialists are transitioning to risk-based programs
 - Bundled Payments (2018): Focused on high volume, high cost-variation episodes
 - Specialist Efficiency (2018): Monitors costs and detects variability in care delivery for select episodes.

Quality Blue Hospital

- Designates a portion of reimbursement as “at-risk”, dependent upon performance on quality and cost measures.
- Includes evaluation on select episodes of care and reduces wasteful spending while improving quality of care.
- Global capitated models are available to facilities with more advanced capabilities in 2018.

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True Performance, our PCP-based foundational pay-for-value program, is making an impact in Delaware.

Delaware – True Performance

Delaware – TP Penetration

- 73% of eligible practices participate
- 70% of eligible PCPs are TP PCPs
- 72% of members attributed to TP PCP
- ~28,000 SOD members attributed to TP PCP
- 4,500 SOD members expected to be attributed to a TP+ (Shared Savings) in 2018

TP Practices by County

Practices by county	TP Practices	Eligible Practices	% Participating
Kent	21	27	78%
New Castle	61	84	73%
Sussex	27	38	71%
Total	109	149	73%

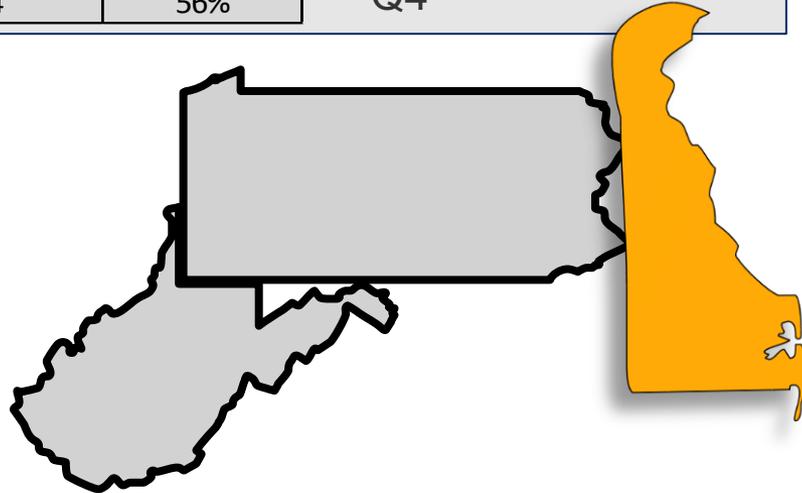
2017 Quality Scores

Quarter	Quality Score
Q1	39%
Q2	50%
Q3	52%
Q4	56%

- Quality Scores increased by more than 40% from Q1 to Q4

Across Highmark Service Area

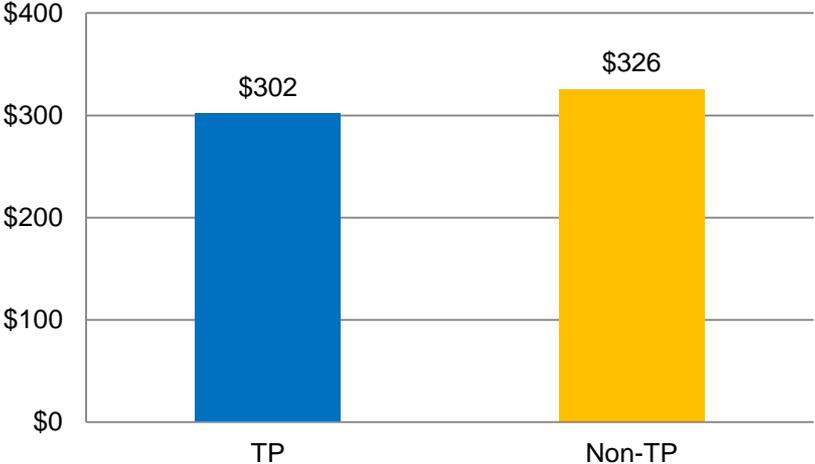
- 72% of eligible PCPs participate in TP
- 645 contracted entities
- 1,543 practices
- 7,500 participating physicians
- Approximately 1.8 million attributed members



Note: Figures are current as of July 2018. *Results through CY 2017.

SOD Attributed True Performance members outperformed non-TP members in 2017 on cost & utilization metrics

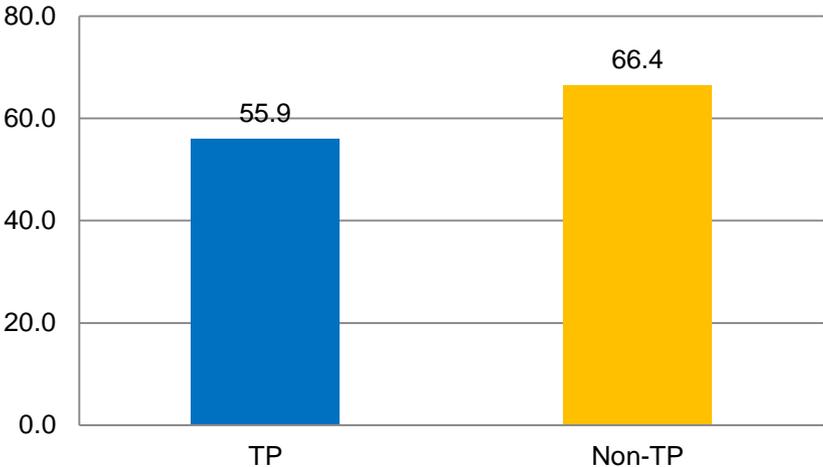
SOD: Risk Adjusted PMPM CY 2017



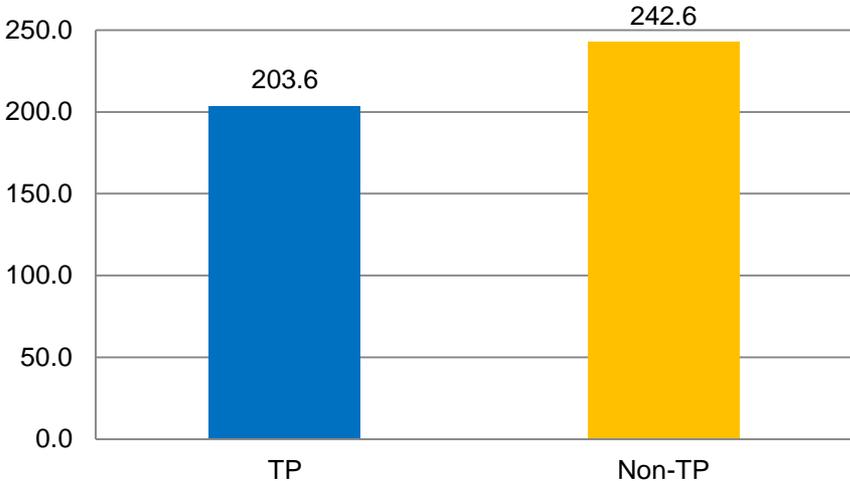
True Performance Cost & Utilization in 2017

- TP SOD members' costs ~\$25 PMPM less than non-TP members
- TP SOD members had ~16% fewer admits/1000 than non-TP members
- TP SOD members ~16% fewer ED visits/1000, than non-TP members

SOD: Admits/1000 CY 2017



SOD: ED Visits/1000 CY 2017



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True Performance is supported with significant data and analytics, and is supplemented by other value-based initiatives to encourage coordination across the continuum.

VBR Program Reporting Suite

True Performance Reports

Care Coordination Quality Threshold

Lump Sum Score Report

Lump Sum Quality Summary

Attribution

Lump Sum Quality Detail

Frequent ED Visits

Weekly ED Visits

Lump Sum CU Summary

Lump Sum Referral Management (Western PA)

Advanced Cost Tool

Quality Blue Hospital Reports

- **Quality Bundle Report:** Star rating, care gap patient listing, and practice comparison reports
- **Patient-Level Detail Hospital Component Report:** Support quality improvement strategies.
- **Average Episode of Care Costs Report:** Review of historical performance and information to improve upon clinical care related to designated episodes of care.

Specialist Program Reports

- **Bundles Scorecard Report:** Review of quality measures, overall cost performance, and detailed breakout of episodic cost and utilization detail. Includes alternative site of care options

VBR Program Support

Report Benefits

- Reports are available at varying frequencies ranging from monthly to annual based on the type of information provided
- Reporting is provided at both the practice and entity level to support the individual providers and give larger organizations purview into their performance overall
- Further drill-down capabilities exist for providers who would like additional analytical support to target their efforts
- Participating providers are able to access reports through an online portal

Clinical Transformation Consultants

- Field-facing, subject-matter experts
- Provide comprehensive, ongoing support, one-on-one coaching, and insight to identify opportunity and problem-solve
- Conduct network-wide educational sessions
- Regular in-person, telephonic and electronic communications

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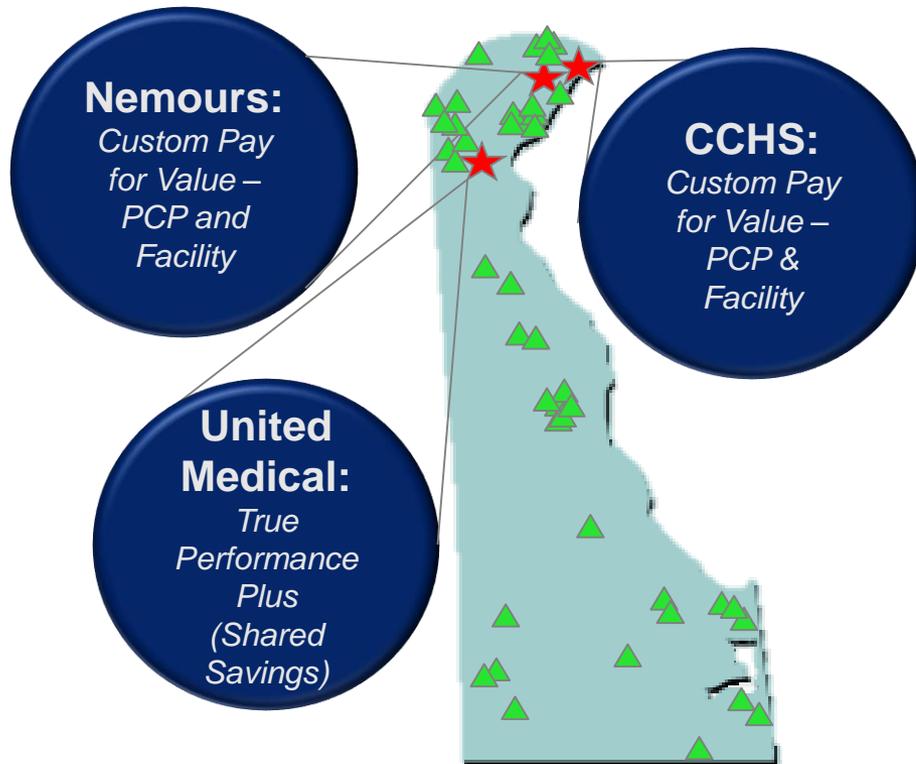
Highmark has embarked on an aggressive 3-year reimbursement roadmap which will span across the care continuum and increase the weight of value throughout.

Our Value Based Reimbursement Roadmap

	2018	2019	2020
Consumerism	<ul style="list-style-type: none"> • High Value Network (HVN) • SDOH incorporated into clinical, product, network, etc. 	<ul style="list-style-type: none"> • Expand HVNs • Link member education & transparency programs to VBR 	<ul style="list-style-type: none"> • Member's consumer tools (quality & cost transparency) drive decision making
PCP	<ul style="list-style-type: none"> • Launch glide path for True Performance program • Launch professional capitation 	<ul style="list-style-type: none"> • Implement next evolution of TP Program Suite • Expand professional capitated program 	<ul style="list-style-type: none"> • Continue to enhance TP program suite • Expand capitation program
Specialists	<ul style="list-style-type: none"> • Pilot Bundled Payments • Launch Specialist Efficiency 	<ul style="list-style-type: none"> • Implement broad-based Bundled Payment Program 	<ul style="list-style-type: none"> • Expand Bundled Payments to more Specialties • Pilot Disease-specific bundles
Facilities	<ul style="list-style-type: none"> • Implement new QBH program • Pilot Global Capitated Model for 2019 and beyond 	<ul style="list-style-type: none"> • Expand QBH to more episodes and other value drivers • Expand capitated model 	<ul style="list-style-type: none"> • Enhance QBH suite to more episode • Increase entities in capitated program
Rx	<ul style="list-style-type: none"> • Pilot Site of Care (SOC) programs • Specialty Rx Drug Reporting 	<ul style="list-style-type: none"> • Implement SOC programs • Introduce Specialty Rx metric to other broad VBR programs 	<ul style="list-style-type: none"> • Continued expansion of value-based purchasing strategies • Spec. Rx in VBR programs for appropriate opportunities
Post Acute	<ul style="list-style-type: none"> • Expand SNF P4V Program • Pilot VBR programs for SNF, Home Health (HHA), and LTAC 	<ul style="list-style-type: none"> • Expand SNF/HHA VBR program • Implement 60-day PAC bundle 	<ul style="list-style-type: none"> • Expand bundled & other VBR programs across entire Post-Acute space

Highmark, in partnership with other Delaware healthcare providers, has ignited an aggressive agenda forging a new path in care delivery and reimbursement

Partnership Examples



▲ Other DE VBR providers (e.g. True Performance practices)

Highmark will be adjusting fee for service rates based on VBR program performance. This further emphasizes our commitment to drive quality and outcomes within on our Provider Network

Delaware VBR Future State

1. Continued focus on **codifying the entire care continuum** through aligned incentives at every level (PCP, Specialists, Hospitals, Post-Acute)
2. Collaboration with State and Local stakeholders on **redefining the healthcare continuum** to reward for the highest quality outcomes
3. Continued focus on **advancing VBR** in Medicaid, Commercial, and ACA lines of business
4. Introduce quality metrics that **focus on societal and environmental factors of health** to ensure a holistic approach to care delivery
5. Create **member-level incentives** to promote appropriate site of care, intervention, and preventive engagement
6. Intensify focus on **telehealth initiatives** to alleviate access issues and increase efficiency across the continuum
7. Increase **member-level knowledge** of VBR to ensure growth of VBR is supported by all stakeholders
8. Collaborate more with the provider community to develop programs that **center around the patient** and support all parties equitably

Questions